

**FISCAL NOTE
PRIVATE COST**

I. RULE NUMBER

Rule Number and Name:	11 CSR 45-40.050 Operational Requirements for Fantasy Sports Contest Operators
Type of Rule making:	Proposed Rule

II. SUMMARY OF FISCAL IMPACT

Estimate of the number of entities by class which would likely be affected by the adoption of the proposed rule:	Classification by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
7	License Fantasy Sport Contest Operators	\$67,833.21 annually

III. WORKSHEET

Estimated number of Missouri registered players 183,333 x \$.37 = \$67,833.21. Cost recurring annually during the life of the rule, although the number of newly registered players may fluctuate from year to year.

IV. ASSUMPTIONS

The cost to private entities of complying with this regulation is difficult to determine. The regulation mirrors the requirements of §§ 313.930 and 313.940, RSMo. Whether or not the Commission promulgates this rule, licensees will have to use appropriate security standards and take commercially reasonable steps to confirm that an individual opening an account is not a minor. Many of the requirements of the proposed rule likely involve practices and procedures that would be required by the statute and that are already being utilized by fantasy sports operators, and as such, it would be anticipated that the entities would not be adversely affected by the proposed rule.

Section (4) of the rule requires a licensed operator to take commercially and technologically reasonable measures to verify the identity, date of birth, and address of players. The regulation clarifies the statute by adding a requirement to use an independent source to verify a player's age who is seeking to an open account. The cost to contract with an outside entity to perform that verification will vary by licensee according to its volume of business and method of compliance. Estimates we have received from industry sources indicate an average cost of \$.37 per transaction. Information we have received from the fantasy sports industry and other gaming

regulatory agencies lead us to estimate that 183,333 verifications for Missouri residents would occur each year. The cost per year would vary depending on the number of new Missouri players each year and would continue through the life of the rule.